

Introduced by Senator Walters

February 21, 2012

An act to amend Sections 22870 and 22890 of, and to add Section 7514.6 to, the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

SB 1141, as introduced, Walters. Public employees: postemployment health care benefits.

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees' Retirement System, establishes provisions governing postemployment health care benefits for members and their families, upon meeting vesting requirements and subject to various limitations. Existing law also establishes various postemployment health care benefits under other benefit systems, including those offered by counties, districts, cities, and the University of California.

This bill would prohibit a public employer, for employees first hired on or after January 1, 2013, from entering into a memorandum of understanding or other collective bargaining agreement that provides for defined postemployment health care benefits unless each employee pays at least 50 percent of the actuarially required contributions to fund those health care benefits. The bill would also declare that ensuring the statewide integrity and security of state and local government health care plans is a matter of statewide concern and not a municipal affair, and that, therefore, all cities, including charter cities, would be subject to the provisions of the bill. The bill would also declare that these provisions apply to the University of California to ensure the financial security of the university.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7514.6 is added to the Government Code,
2 to read:
3 7514.6. (a) Notwithstanding any other law, for employees first
4 hired on or after January 1, 2013, a public employer shall not enter
5 into a memorandum of understanding or other collective bargaining
6 agreement that provides for defined postemployment health care
7 benefits unless each employee pays at least 50 percent of the
8 actuarially required contributions to fund those health care benefits.
9 (b) If the provisions of this section are in conflict with the
10 provisions of a memorandum of understanding or other collective
11 bargaining agreement, the memorandum of understanding or other
12 collective bargaining agreement shall be controlling, except upon
13 expiration of the memorandum of understanding or other collective
14 bargaining agreement, this section shall be controlling and may
15 not be superseded by a subsequent memorandum of understanding
16 or other collective bargaining agreement.
17 (c) For purposes of this section, the following definitions apply:
18 (1) "Public employee" means an officer, including those elected
19 or appointed, or an employee of a public employer.
20 (2) "Public employer" means:
21 (A) The state and every state entity, including, but not limited
22 to, the Legislature, the courts, the California State University, and
23 the University of California.
24 (B) Any political subdivision of the state, including, but not
25 limited to, a city, county, city and county, charter city, charter
26 county, charter city and county, school district, community college
27 district, joint powers authority, joint powers agency, and any public
28 agency, authority, board, commission, district, or other entity.
29 SEC. 2. Section 22870 of the Government Code is amended
30 to read:
31 22870. (a) The state and each employee or annuitant shall
32 contribute a portion of the cost of providing the benefit coverage
33 afforded under the approved health benefit plan in which the
34 employee or annuitant is enrolled.

1 (b) An annuitant is entitled to only one employer contribution.
2 If more than one annuitant is receiving an allowance as the survivor
3 of the same employee or annuitant, there shall be only one
4 employer contribution with respect to all of those annuitants.

5 (c) The contribution of each employee and annuitant shall be
6 the total cost per month of the benefit coverage afforded him or
7 her under the health benefit plan or plans in which he or she is
8 enrolled less the portion thereof to be contributed by the employer.
9 The employer contribution for each employee or annuitant shall
10 commence on the effective date of enrollment.

11 (d) *The formulas for contributors pursuant to this article are*
12 *subject to the prefunding requirements in Section 7514.6.*

13 SEC. 3. Section 22890 of the Government Code is amended
14 to read:

15 22890. (a) The contracting agency and each employee or
16 annuitant shall contribute a portion of the cost of providing the
17 benefit coverage afforded under the health benefit plan approved
18 or maintained by the board in which the employee or annuitant
19 may be enrolled.

20 (b) An annuitant is entitled to only one employer contribution.
21 If more than one annuitant is receiving an allowance as the survivor
22 of the same employee or annuitant, there shall be only one
23 employer contribution with respect to all such annuitants.

24 (c) The contribution of each employee and annuitant shall be
25 the total cost per month of the benefit coverage afforded him or
26 her under the health benefit plan or plans in which he or she is
27 enrolled less the portion thereof to be contributed by the employer.
28 The employer contribution for each employee and annuitant shall
29 commence on the effective date of enrollment.

30 (d) *The formulas for contributors pursuant to this article are*
31 *subject to the prefunding requirements in Section 7514.6.*

32 SEC. 4. The Legislature finds and declares the following:

33 (a) To ensure the financial security of the University of
34 California, it is necessary for this act to apply to the University of
35 California.

36 (b) The statewide integrity and security of state and local
37 government health care plans is a matter of statewide concern and
38 not a municipal affair, as that term is used in Section 5 of Article

- 1 XI of the California Constitution. Therefore, this act shall apply
- 2 to all cities, including charter cities.

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